K) 1949.

File No. AGN Misc/49-III

Legal DEPARTMENT
E BRANCH

K

Subject: Miscellaneous Agreements

B. E

File No. AGN. Misc/49. III

II-E

Stl. Sectt. Slip 24 B e.

C O N T E N T S.

Legal Department File No. AGN MISC/49-III

Sr.No.	A.I./O.No.	Subject.	Pages.
	1028/28/6/49.	Cement Factory. Dr. Tendulkar's Scheme for a - at Bagalkot.	1-9

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24 5 56

ement Factory:
Dr. Tendulkar's Scheme for a—
at Bagalkot.
Government participation in—

THE SOLICITOR TO GOVERNMENT
IN LEGAL DEPARTMENT
File No 1028
Subject No.
Branch 13 2818/49
BOMBAY

GOVERNMENT OF BOMBAY.

EDUCATION AND INDUSTRIES DEPARTMENT.

Resolution No. 7989.

Bombay Castle, 26th March 1949.

Read Government Resolution, Education and Industries Department, No. 7989, dated 31st January, 1949.

RESOLUTION.—The guarantee and the option agreements of the Bagalkot Cement Co. as finally approved by Government are attached.

By order of the Governor of Bombay,

N. S. PARDASANI,
Under Secretary to Government.

To
The Director of Industries, Bombay,
*The Solicitor to Government,
*The Special Officer, Finance Department,
The Accountant General, Bombay (through the Finance Department),
The Finance Department,
†Sir V. N. Chandavarkar,
†S. R. Kanthi, Esquire,
†D. N. Kowshik, Esquire.

*with copies of Government Resolution, Education and Industries Department, No. 7989, dated 31st January 1949.
†by letter.

L E & I H 132—1

No. of 1949.

Copy forwarded for information and guidance to

AN AGREEMENT made the 23rd day of March, 1949 Between THE GOVERNOR OF BOMBAY of the first part, BAGALKOT CEMENT COMPANY LIMITED a company registered under the Indian Companies Act VII of 1913 and having its registered office in Bombay (hereinafter referred to as " the Company ") of the second part, TENDULKAR INDUSTRIES LIMITED a private company registered under the Indian Companies Act VII of 1913 and having its registered office in Bombay (hereinafter referred to as " the Managing Agents Company ") of the third part and Dr. A. G. TENDULKAR (hereinafter referred to as " Dr. Tendulkar ") of the fourth part WHEREAS by the Articles of Association of the Company it is *inter alia* provided that the Company shall enter into an Agreement with the Government of Bombay (hereinafter referred to as " the Government ") in respect of guarantee of dividends and other matters incidental thereto in terms of the draft agreement therein referred to, being this agreement AND WHEREAS the Company was registered at Bombay on the 21st day of December 1948 NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED by and between the parties hereto as follows :—

1. For a period of five years from the date of the first allotment of the shares of the Company the Government shall guarantee to the ordinary share-holders of the Company a dividend at the rate of 3% per annum on ordinary shares held by them and shall pay to the Company on behalf of and as a trustee for its ordinary share-holders every year such amount as may be necessary to enable the Company to distribute to its ordinary share-holders an yearly dividend at the rate of three per cent. per annum on the total subscribed ordinary shares capital of the Company not exceeding the face value of Rupees one crore Provided that in no event will the amount payable by the Government to the Company under the said guarantee (hereinafter called " the guarantee amount ") exceed the aggregate sum of Rs. 15,00,000 for the said entire period of five years.

2. The Company shall keep the guarantee amount in a separate account with a Scheduled Bank and shall utilise the same for the payment of the guaranteed dividend to its ordinary share-holders as aforesaid and for no other purpose whatsoever and the Government shall be entitled to the immediate return of any sum not required for or remaining unapplied towards the payment of the guaranteed dividend as aforesaid.

3. The Company agrees to refund to the Government the guarantee amount out of the surplus distributable profits of the Company within a period of five years from the last payment by the Government towards the guarantee amount and such further extended period or periods as may be mutually agreed upon between the Government and the Company.

4. In consideration of the premises the Government shall be entitled to participate in the profits of the Company for a period of five years from the date on which the last payment is made by the Company to the Government towards the refund of the guarantee amount as aforesaid. Such participation shall be to the extent of 25 per cent. of the total surplus distributable profits of the Company remaining after paying a dividend of 6 per cent. to the shareholders of the Company or to the extent of interest at the rate of 3½ per cent. per annum on the gurantee amount refunded to the Government, whichever of the two amounts is greater.

5. In consideration of the premises, until the guarantee amount is repaid in full by the Company to the Government, the Company agrees and undertakes as follows :—

(*a*) That no part of the share capital of the Company will be offered to the public for subscription until after a minimum nominal share capital of Rs. 40 lakhs is subscribed for and/or underwritten.

(*b*) That no dividend higher than 3 per cent. will be declared to the Company's shareholders without the consent in writing of the Government.

(*c*) That the Government will be entitled to nominate three Directors (not removable by rotation) out of the twelve Directors on the Board of Directors of the Company.

(*d*) That no alterations, variation or modification in the Memorandum and Articles of Association of the Company and in the terms of the Managing Agency Agreement with the Managing Agents' Company will be made without the previous approval thereof in writing of the Government.

(*e*) That after the finance of Rs. 1 crore has been raised, whether by the issue of ordinary shares and/or debentures, the Company will not issue any debentures or contract any loans or exercise its borrowing powers under Article 161 of the Articles of Association of the Company unless it has obtained the previous sanction in writing of the Government.

(*f*) That the Company shall not at any time issue preference shares without the express sanction of the Government in that behalf.

(*g*) That the Company shall confine its business activities to mining of lime stone, clay and gypsum and manufacture of cement and sale of the said commodities, either in a raw or finished state, and matters incidental thereto, and shall not without the previous sanction of the Government carry on any other business.

(*h*) That the Company shall furnish to the Secretary to the Finance Department, Government of Bombay, or as may be otherwise required by the Government, a true copy of all resolutions passed either by the Board of Directors of the Company or by the shareholders of the Company within 15 days from the passing of such resolution by the Board of the shareholders, as the case may be.

(*i*) That the Company shall not without the previous consent in writing of the Government exercise its powers under Article 134 of the Articles of Association of the Company to reduce or increase the number of Directors of the Company.

6. The Directors nominated by the Government shall have a right of appeal to the Government against any decision of the Board voted against by them at any Board meeting which resolution in their opinion may affect the financial interest of the Government. Such appeal shall be presented to the Secretary to Government, Finance Department, through the President of the Board of Directors who may also represent the views of the Board to the Government on such a resolution. The decision of the Government on such appeal shall be binding on the Board of Directors. The Government nominees shall present their appeal in writing to the President within two weeks of the Board taking any such decision and the Government should take a decision on the appeal within one month of the receipt of such appeal from the President together with the Board's views (if any).

7. During the continuance of this agreement the Government shall be entitled to get the accounts of the Company audited by its own Auditors and such Auditors shall have the same rights and privileges as the Auditors appointed by the Company.

8. In consideration of the premises, the Managing Agents' Company and Dr. Tendulkar do hereby agree that during the continuance of these presents the Managing Agents' Company shall not without the previous consent in writing of the Government exercise their right to resign and/or assign their office as Managing Agents of the Company and/or assign their remuneration as such Managing Agents and that Dr. Tendulkar shall hold and continue to hold either in his own name or jointly with Mrs. Indumati Tendulkar at least 51 per cent. of the issued share capital of the Managing Agents' Company for the time being and shall not without the previons consent in writing of the Government transfer the shares so held by him.

9. This agreement shall remain in force until the entire guarantee amount is refunded to the Government and for the period during which the Government is entitled to participate in the profits of the Company in terms of clause 4 hereof.

IN WITNESS Whereof the Secretary to Government, Education and Industries Department, for and on behalf of the Governor of Bombay and the said Dr. A. G. Tendulkar have hereunto set their respective hands and seals and the respective Common Seals of BAGALKOT CEMENT COMPANY LIMITED and TENDULKAR INDUSTRIES LIMITED have been hereunto affixed the day and year first hereinabove written.

SIGNED, SEALED and DELIVERED by the abovenamed Secretary to Government, Education and Industries Department, for and on behalf of the Governor of Bombay in the presence of

Seal.

P. S. NADKARNI.

D. S. JOSHI.

The Common seal of BAGALKOT CEMENT COMPANY LTD. has been hereunto affixed pursuant to the Resolution of the Board of Directors dated the 23rd day of March 1949 in the presence of

Seal.

TULSIDAS KILACHAND,
Director.

R. G. SARAIYA,
Director.

The Common Seal of TENDULKAR INDUSTRIES LIMITED has been hereunto affixed pursuant to the Resolution of the Board of Directors dated the 19th day of March, 1949 in the presence of

Seal.

A. G. TENDULKAR,
Director.

SIGNED, SEALED and DELIVERED by the abovenamed Dr. A. G. Tendulkar in the presence of

A. G. TENDULKAR.

TRICUMDAS DWARKADAS,
Solicitor, Bombay.

AN AGREEMENT made the 23rd day of March One thousand nine hundred and fortynine Between the GOVERNOR OF BOMBAY of the one part And BAGALKOT CEMENT COMPANY LIMITED a company registered under the Indian Companies Act VII of 1913 and having its registered Office in Bombay (hereinafter called "the Company") of the other part WHEREAS by the Articles of Association of the Company it was *inter alia* provided that the Company shall enter into an agreement with the Government of Bombay (hereinafter referred to as "the Government") reserving to the Government an option to purchase the cement production of the Company in terms of the draft Agreement therein referred to being this Agreement AND WHEREAS the Company was registered at Bombay on the 21st day of December 1948 AND WHEREAS by an Agreement dated the 23rd day of March 1949 and made between the Governor of Bombay of the one part, the Company of the second part, Tendulkar Industries Limited of the third part, and Dr. A. G. TENDULKAR of the fourth part, the Government has agreed to guarantee the payment of a dividend at the rate of 3 per cent. per annum on the Ordinary shares of the Company for a period of five years from the date of the first allotment on the terms and conditions therein contained NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED by and between the parties hereto as follows:—

1. In consideration of the premises the Company agrees that for a period of twenty-five years from the date on which the Company's factory goes into production the Government shall have the first option to purchase from the Company for Government's own purposes fifty per cent. of the total cement production of the factory of the Company at Bagalkot on the basis of the production capacity of one installed unit of the production capactiy of one lac tons of cement per year PROVIDED THAT in the event of the Company installing more than one unit Government will be entitled to fifty per cent. cement production of such unit of the production capacity of one lac tons a year calculated on the basis of the average total cement production af all such units at the said factory at Bagalkot during the corresponding year.

2. The price payable by the Government to the Company shall be a concessional price calculated on the basis of the actual cost of such production including managing agency commission and depreciation of machinery plus tax free six per cent. return on the total subscribed share capital of the Company or at the market rate whichever is lower PROVIDED HOWEVER that the Government shall not be entitled to the aforesaid claim and benefit if the guarantee contained in the Deed of Guarantee dated the 23rd day of March, 1949, hereinbefore recited is not continued by the Government for the full period of five years.

3. The Company shall in the beginning of every quarter namely the beginning of January, April, July and October of each year intimate to the Government in writing the estimated quantity of cement that will be available to the Government in such quarter in terms of clause 1 hereof. The Government shall within thirty days from the receipt of such intimation inform the Company in writing whether the Government desires to exercise of its option to purchase the fifty per cent. of the cement production of the Bagalkot factory as aforesaid either wholly or in part and if so the quantity required by the Government.

4. If in any quarter the Government has expressed its willingness to purchase any cement from the Company in terms of these presents the Company shall, as and when the whole of the required quantity of cement or any lesser quantity, but in no case less than one hundred tons at any one time, is ready for delivery, intimate to the Government the quantity ready for delivery and the Government shall within thirty days of the receipt of such intimation arrange to take delivery of the said quantity against payment to the Company as a deposit on account at the controlled or market price thereof less the commission payable by the Company to its Selling Agents and an amount equivalent to the railway freight from the Company's factory to the place of destination as may have been included in such controlled price or market price as the case may be.

5. All deliveries under these presents shall be ex-godown Company's factory site and the Government shall be bound to take delivery of the cement as may be ready for delivery and required by the Government under clause 3 hereof within the time aforesaid and in the event of Government's failure so to do the Government shall pay to the Company in addition to the price aforesaid godown rent at reasonable rates for the excess period over the said period of thirty days and if such delivery is not taken within 45 days from the receipt of intimation that the goods are ready for delivery the Company shall be at liberty to dispose of the said cement as if such cement is not required by the Government and in such event the Company shall be entitled to receive from the Government the godown rent at the rate aforesaid for the excess period over thirty days during which the cement remained in the Company's godown subject always to the maximum of fifteen days rent.

6. Within thirty days after the 31st day of December in each year all accounts between the Government and the Company as to the net concessional price payable by the Government to the Company for the cement purchased by the Government under these presents shall be made up and the balance if any payable by the Company to the Government shall be paid to the Government within thirty days from the date of such settlement of the accounts and the same shall without prejudice to the Government's other remedies be recoverable from the Company as arrears of land revenue.

7. All questions or differences whatsoever which may at any time hereafter arise between the parties hereto or their respective representatives touching these presents or the construction hereof or as to the rights, duties or obligations of any person hereunder or as to any other matter in anywise out of or connected with the subject matter of these presents the same shall be referred to the arbitration of two persons one to be appointed by each party hereto and this clause shall be deemed to be an agreement for submission to arbitration within the meaning of the Arbitration Act, 1940, with such statutory re-enactment or modification thereof as shall from time to time be made.

IN WITNESS WHEREOF the Secretary to Government, Education and Industries Department, on behalf of the Governor of Bombay has hereunto affixed his hand and seal and the Common Seal of Bagalkot Cement Company Limited has been hereunto affixed the day and year first hereinabove written.

SIGNED, SEALED and DELIVERED by D. S. Joshi, Esquire, Secretary to Government, Education and Industries Department. for and on behalf of the GOVERNOR OF BOMBAY in the presence of

Seal.

P. S. NADKARNI.

D. S. JOSHI.

The Common Seal of BAGALKOT CEMENT COMPANY LIMITED has been hereunto affixed in the presence of

Seal.

LSIDAS KILACHAND,
R. G. SARAIYA,
Directors.

The common Seal of TENDULKAR INDUSTRIES LIMITED as and by way of counter-signature was hereunto affixed in the presence of

A. G. TENDULKAR,
Director.

Confidential.

Cement Factory.

Dr. Tendulkar's scheme for a — at Bagalkot.
Government participation in —.

GOVERNMENT OF BOMBAY.

EDUCATION AND INDUSTRIES DEPARTMENT.

Resolution No. 7989.

Bombay Castle, 31st January 1949.

Government Letter, Education and Industries Department, No. 7989—1088-G, dated the 15th April 1948.
Letters from Dr. A. G. Tendulkar, dated the 6th May 1948 and dated the 18th June 1948.
Government Letter, Education and Industries Department, No. 7989–1149-G, dated the 5th July 1948.
Letter from Dr. Tendulkar, dated the 26th July 1948.
Government Letter, Education and Industries Department, No. 7989–1381-G, dated the 29th November 1948.
Letter from Dr. Tendulkar, dated the 3rd December 1948.
Government Letter, Education and Industries Department, No. 7989–39532-G, dated the 14th December 1948.
Government Letter, Education and Industries Department, No. 7989–2080-G, dated the 15th November 1948.

RESOLUTION.—The accompanying documents of the Bagalkot Cement Company Limited are approved.

By order of the Governor of Bombay,

N. S. PARDASANI,
Under Secretary to Government.

To

The Director of Industries, Bombay,
The Accountant General, Bombay (through the Finance Department),
The Finance Department,
*Sir Vithal N. Chandavarkar,
*S. R. Kanthi, Esquire,
*M. P. Kanga, Esquire.

*By letter.

No. of 1949.

Copy forwarded for information and guidance to

Accompaniment to Government Resolution, Education and Industries Department, No. 7989, dated the 31st January 1949.

Guarantee Agreement.

AN AGREEMENT made the day of 1948 Between THE GOVERNOR OF BOMBAY of the first part, BAGALKOT CEMENT COMPANY LIMITED a company registered under the Indian Companies Act VII of 1913 and having its registered office in Bombay (hereinafter referred to as "the Company") of the second part, TENDULKAR INDUSTRIES LIMITED a private company registered under the Indian Companies Act VII of 1913 and having its registered office in Bombay (hereinafter referred to as "the Managing Agents Company") of the third part And Dr. A. G. TENDULKAR (hereinafter referred to as "Dr. Tendulkar") of the fourth part.

WHEREAS by the Articles of Association of the Company it is *inter alia* provided that the Company shall enter into an agreement with the Government of Bombay (hereinafter referred to as "the Government") in respect of guarantee of dividends and other matters incidental thereto in terms of the draft agreement therein referred to, being this agreement.

AND WHEREAS the Company was registered at Bombay on the day of 1948.

NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED by and between the parties hereto as follows:—

1. For a period of five years from the date of the first allotment of the shares of the Company the Government shall guarantee to the all ordinary share-holders of the Company a dividend at the rate of 3 per cent. per annum on the ordinary shares held by them and shall pay to the Company on behalf of and as a trustee for such ordinary share-holders every year such amount as may be necessary to enable the Company to distribute to its ordinary share-holders an yearly dividend at the rate of three per cent. per annum on the total subscribed ordinary share capital of the Company not exceeding the face value of Rupees one crore Provided that in no event will the amount payable by the Government to the Company under the said guarantee (hereinafter called "the guarantee amount") exceed the aggregate sum of Rs. 15,00,000 for the said entire period of five years And Provided further that the payment by the Government to the Company of the guarantee amount in any year shall be subject to the requisite grant being assented to by the Legislature.

2. The Company shall keep the guarantee amount in a separate account with a Scheduled Bank and shall utilise the same for the payment of the guaranteed dividend to its ordinary share-holders as aforesaid and for no other purpose whatsoever and the Government shall be entitled to the immediate return of any sum not required or remaining unapplied for or towards the payment of the guaranteed dividend as aforesaid.

3. The Company agrees to refund to the Government the guarantee amount out of the surplus distributable profits of the Company within a period of five years from the last payment by the Government towards the guarantee amount and such further extended period or periods as may be mutually agreed upon between the Government and the Company.

4. In consideration of the premises the Government shall be entitled to participate in the profits of the Company for a period of five years or for the corresponding period for which the guarantee is implimented by the Government from the date of the last payment by the Company to the Government towards the refund of the guarantee amount as sanctioned by the Legislature and such participation shall be to the extent of 25 per cent. of the total surplus distributable profits remaining after paying a dividend of 6 per cent. to the share-holders of the Company or to the extent of interest at the rate of 3½ per cent. per annum on the guarantee amount refunded to the Government, whichever of the two amounts is greater.

5. In consideration of the premises, until the guarantee amount is repaid in full by the Company to the Government the Company agrees and undertakes as follows :—

(*a*) That no part of the share capital of the Company will be offered to the public for subscription until after a minimum nominal share capital of Rs. 40 lakhs is subscribed for and/or underwritten.

(*b*) That no dividend higher than 3 per cent. will be declared to the Company's shareholders without the previous sanction of the Government.

(*c*) That the Government will be entitled to nominate three Directors (not removable by rotation) out of the twelve Directors on the Board of Directors of the Company.

(*d*) That no alterations, variation or modification in the Memorandum and Articles of Association of the Company and in the terms of the Managing Agency Agreement with the Managing Agents Company will be made without the previous approval thereof in writing of the Government.

(*e*) That after the finance of Rs. 1 crore has been raised, whether by the issue of ordinary shares and/or debentures, the Company will not issue any debentures or contract any loans or exercise its borrowing powers under Article 161 of the Articles of Association of the Company unless it has obtained the previous sanction in writing of the Government.

(*f*) That the Company shall not at any time issue preference shares without the express sanction of the Government in that behalf.

(*g*) That the Company shall confine its business activities to mining of Lime Stone, clay and gypsum and manufacture of cements and sale of the said commodities, either in a raw or finished state, and matters incidental thereto, and shall not without the previous sanction of the Government carry on any other business.

(*h*) That the Company shall furnish to the Secretary to the Finance Department, Government of Bombay, or as may be otherwise required by the Government a true copy of all resolutions passed either by the Board of Directors of the Company or by the shareholders of the Company within 15 days from the passing of such resolutions by the Board of the shareholders, as the case may be.

(*i*) That the Company shall not without the previous consent in writing of the Government exercise its powers under Article 134 of the Articles of Association of the Company to reduce or increase the number of Directors of the Company.

6. The Directors nominated by the Government shall have a right of appeal to the Government against any decision of the Board voted against by them at any Board meeting which resolution in their opinion may affect the financial interest of the Government. Such appeal shall be presented to the Secretary to Government, Finance Department, through the President of the Board of Directors who may also represent the views of the Board to the Government on such a resolution. The decision of the Government on such appeal shall be binding on the Board of Directors. The Government nominees shall present their appeal in writing to the President within two weeks of the Board taking any such decision and the Government should take a decision on the appeal within one month of the receipt of such appeal from the President together with the Board's views, if any.

7. During the continuance of this agreement the Government shall be entitled to get the accounts of the Company audited by its own Auditors and such Auditors shall have the same rights and privileges as the Auditors appointed by the Company.

8. In consideration of the premises, the Managing Agents Company and Dr. Tendulkar do hereby agree that during the continuance of these presents the Managing Agents Company shall not without the previous consent in writing of the Government exercise their right to resign and/or assign their Office as Managing Agents of the Company and/or assign their remuneration as such Managing Agents and that Dr. Tendulkar shall hold and continue to hold either in his own name or jointly with Mrs. Indumati Tendulkar at least 51 per cent. of the issued share capital of the Managing Agents Company for the time being and shall not without the previous consent in writing of the Government transfer the shares so held by him.

9. This agreement shall remain in force until the entire guarantee amount is refunded to the Government and for the period for which the Government shall be entitled to participate in the profits of the Company in terms of the clause 4 hereof.

IN WITNESS etc.

12

Option Agreement.

AN AGREEMENT made the day of One thousand nine hundred and forty-eight BETWEEN the Governor of Bombay of the one part And Bagalkot Cement Company Limited a Company registered under the Indian Companies Act VII of 1913 and having its registered office in Bombay (hereinafter called "the Company") of the other part.

WHEREAS by the Articles of Association of the Company it was, *inter alia*, provided that the Company shall enter into an Agreement with the Government of Bombay (hereinafter referred to as "the Government") reserving to the Government an option to purchase the cement production of the Company in terms of the draft agreement therein referred to, being this Agreement.

AND WHEREAS the Company was registered at Bombay on or about the day of 194 .

AND WHEREAS by an Agreement dated the day of 1948 and made between the Governor of Bombay of the one part the Company of the second part, Tendulkar Industries Limited of the third part and Dr. A. G. Tendulkar of the fourth part the Government has agreed to guarantee the payment by the Company of a dividend at the rate of 3 per cent. per annum on the ordinary shares of the Company for a period of five years from the date of the first allotment on the terms and conditions therein contained.

NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED by and between the parties hereto as follows :—

1. In consideration of the premises the Company agrees that for a period of 25 years from the date on which the Company's factory at Bagalkot goes into production the Government shall have the first option to purchase from the Company for Government's own purposes fifty per cent. of the total cement production of the factory of the Company at Bagalkot on the basis of the production capacity of one installed unit of the production capacity of one lac tons of cement per year provided that in the event of the Company installing more than one units Government will be entitled to the fifty per cent. cement production of such unit of the production capacity of one lac tons a year calculated on the basis of the average total cement production of all such units at the said factory at Bagalkot during the corresponding year.

2. The price payable by the Government to the Company shall be a concessional price calculated on the basis of the actual cost of such production, including depreciation of machinery plus a return of six per cent. on the total subscribed share capital of the Company or at the market rate, whichever is lower, PROVIDED HOWEVER that the Government shall not be entitled to the aforesaid claim and benefit if the guarantee contained in the Deed of Guarantee dated the day of hereinbefore recited is not continued by the Government for the full period of five years.

3. The Company shall in the beginning of every quarter, namely, the beginning of January, April, July and October of each year, intimate to the Government in writing the estimated quantity of cement that will be available to the Government in such quarter, in terms of clause 1 hereof. The Government shall within thirty days from the receipt of such intimation inform the Company in writing whether the Government desires to exercise its option to purchase the fifty per cent. of the cement production of the Bagalkot factory as aforesaid either wholly or in part, and, if so, the quantity required by the Government.

4. If in any quarter the Government has expressed its willingness to purchase any cement from the Company in terms of these presents the Company shall as and when the whole of the required quantity of cement or any lessor quantity, but in no case less than one hundred tons at any one time is ready for delivery, intimate to the Government the quantity ready for delivery and the Government shall within thirty days of the receipt of such intimation arrange to take delivery of the said quantity against payment to the Company of the controlled or market price thereof less the commission payable by the Company to its Selling Agents and an amount equivalent to the Railway freight from the Company's factory to the place of destination as may have been included in such controlled price or market price as the case may be.

5. All deliveries under these presents shall be ex-godown Company's factory site and the Government shall bound to take delivery of the cement as may be ready for delivery and required by the Government under clause 3 hereof within the time aforesaid and in the event of Government's failure so to do, the Government shall pay to the Company in addition to the price aforesaid godown rent at an agreed rate (the rate of Rs..... per ton of cement) for the excess period over the said period of thirty days and if such delivery is not taken within 45 days from the receipt of intimation that the goods are ready for delivery the Company shall be at liberty to dispose of the said cement as if such cement is not required by the Government and in such event the Company shall be entitled to receive from the Government the Godown rent at the rate aforesaid for the excess period over thirty days during which the cement remained in the Company's godown subject always to the maximum of fifteen days' rent.

6. Within thirty days after the 31st day of December in each year all accounts between the Government and the Company as to the net concessional price payable by the Government to the Company for the cement purchased by the Government under these presents shall be made up and the balance if any payable by the Company to the Government shall be paid to the Government within thirty days from the date of such settlement of the accounts and the same shall without prejudice to the Governments other remedies be recoverable from the Company as arrears of land revenue.

7. All questions or differences whatsoever which may at any time hereafter arise between the parties hereto or their respective representatives touching these presents or the construction hereof or as to the rights duties or obligations of any person hereunder or as to any other matter in anywise out of or connected with the subject matter of these presents the same shall be referred to the arbitration of two persons one to be appointed by each party hereto and this clause shall be deemed to be an agreement for submission to arbitration within the meaning of the Arbitration Act, 1940, with such statutory re-enactment or modification thereof as shall from time to time be made.

IN WITNESS WHEREOF etc.